

ELLIOTT & ELLIOTT, P.A.

ATTORNEYS AT LAW

721 OLIVE STREET

COLUMBIA, SOUTH CAROLINA 29205

[selliott@elliottlaw.us](mailto:selliott@elliottlaw.us)

SCOTT ELLIOTT

TELEPHONE (803) 771-0555

FACSIMILE (803) 771-8010

August 10, 2010

VIA ELECTRONIC FILING

Jocelyn D. Boyd, Esquire  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

RE: Joint Application of Public Communications Services, Inc. and Global  
Tel\*Link Corporation to Transfer Assets of Public Communications  
Services, Inc. to Global Tel\*Link Corporation  
Docket No.: 2010-

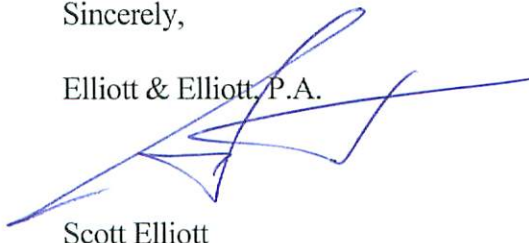
Dear Ms. Boyd:

Enclosed please find for filing a Joint Application of Public Communications Services, Inc. and Global Tel\*Link Corporation to Transfer Assets of Public Communications Services, Inc. to Global Tel\*Link Corporation. By copy of this letter, I am serving the Office of Regulatory Staff.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jcl

Enclosures

cc: C. Dukes Scott, Esq. w/enc.  
Lance J.M. Steinhart, Esq.

**STATE OF SOUTH CAROLINA**  
**BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION**

<b>Joint Application of</b>	)	
<b>Public Communications Services, Inc.</b>	)	
<b>and Global Tel*Link Corporation</b>	)	
	)	<b>Docket No.</b>
<b>To Transfer Assets of</b>	)	
<b>Public Communications Services, Inc.</b>	)	
<b>To Global Tel*Link Corporation</b>	)	

**JOINT APPLICATION TO TRANSFER ASSETS**

Public Communications Services, Inc. ("PCS") and Global Tel\*Link Corporation ("GTL") (PCS and GTL are hereinafter collectively referred to as "Applicants", or individually as an "Applicant"), by their attorneys, hereby respectfully request that the South Carolina Public Service Commission (the "Commission") issue an Order, authorizing PCS to Transfer Assets to GTL as described herein. (the "Transaction").

Applicants are in the process of obtaining all required approvals for the proposed Transaction from both the Federal Communications Commission ("FCC") and all applicable state regulatory authorities, including the Commission. In support of this Application, Applicants provide the following information:

**I.     Description of the Applicants**

**A.     Public Communications Services, Inc.**

PCS is a privately-held California corporation whose principal offices are located at 11859 Wilshire Boulevard, Suite 600, Los Angeles, California 90025. PCS is engaged in the

business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. PCS provides these services throughout most of the continental United States. PCS currently holds the following authorization in the State of South Carolina: Certificate of Public Convenience and Necessity to Provide Resold Intrastate Telecommunication Services to Inmates of Correction and Confinement Facilities (Docket No. 2008-135-C granted on June 27, 2008).

**B. Global Tel\*Link Corporation**

GTL is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTL is a wholly-owned direct subsidiary of GTEL Holdings, Inc. GTL is engaged in the business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. GTL provides these services throughout most of the continental United States. GTL currently holds the following authorizations in the State of South Carolina: Certificate of Public Convenience and Necessity to Operate as a Reseller of Telecommunications Services (Docket No. 91-070-C issued on April 23, 1992). The Transaction will have no effect on GTL's current rates, terms, or conditions for its managed inmate services in the State of South Carolina.

**C. GTEL Holdings, Inc.**

GTEL Holdings, Inc. is a privately held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTEL Holdings is a holding company, whose only business activities are conducted through GTL. GTEL Holdings is a wholly owned direct subsidiary of GTEL Acquisition Corp.

**D. GTEL Acquisition Corp.**

GTEL Acquisition Corp. is a privately held Delaware corporation whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022. GTEL Acquisition Corp. is a holding company, whose only business activities are conducted through GTL. GTEL Acquisition Corp. is wholly owned by GTEL Holding LLC, a privately held Delaware limited liability company whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022.

**E. GTEL Holding LLC**

GTEL Holding LLC is controlled by a board of managers including the CEO of GTL and other managers appointed by The Veritas Capital Fund III, L.P. and GS Direct, L.L.C. The Veritas Capital Fund III, L.P. is a private equity investment partnership managed by its sole general partner, Veritas Capital Partners III, L.L.C., a Delaware limited liability company. Veritas Capital Partners III, L.L.C. is controlled by its managing member, Robert B. McKeon, the managing member of Veritas Capital Fund Management, L.L.C., d/b/a Veritas Capital. Veritas Capital is a private equity investment firm headquartered in New York. Founded in 1992, Veritas Capital invests in a broad range of companies through buyouts, growth capital investments, and leveraged recapitalizations. The firm's primary objective is to partner with experienced management teams to develop leading companies in their respective markets. In

addition to providing long-term capital, the firm works closely with its management partners in creating and executing a well-defined strategic plan that exploits a company's core competencies as well as attractive industry dynamics. Principals at Veritas Capital bring long term investing experience through a variety of economic conditions allowing the firm to apply its skills and capital to a broad spectrum of industries. However, Veritas Capital has developed specific expertise in the defense, aerospace, government services, media/telecommunications, consumer products, and specialty manufacturing industries.

The Goldman Sachs Group, Inc. owns all of the equity interests in GS Direct, L.L.C. All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., and The Goldman, Sachs & Co. L.L.C. controls Goldman, Sachs & Co. as its sole general partner. All of the equity interests (voting and non-voting) in The Goldman, Sachs & Co. L.L.C. are held by The Goldman Sachs Group, Inc., which is a public company listed on the New York Stock Exchange. GS Direct, L.L.C. invests capital primarily alongside corporate and sponsor clients in situations in which access to its or its affiliates' capital, relationships or advisory services can enhance the value of the investment. The Goldman Sachs Group, Inc., a bank holding company, provides investment banking, securities, and investment management services primarily to corporations, financial institutions, governments, and high-net-worth individuals worldwide.

## **II. Contact Information**

Questions and correspondence concerning this Application may be addressed to:

Scott Elliott, Esq.  
Elliott & Elliott, P.A.  
1508 Lady Street  
Columbia, SC 29201

(803) 771-0555 (Telephone)  
(803) 771-8010 (Fax)  
[selliott@elliottlaw.us](mailto:selliott@elliottlaw.us) (E-Mail)

and

Lance J.M. Steinhart  
Lance J.M. Steinhart, P.C.  
1720 Windward Concourse, Suite 115  
Alpharetta, Georgia 30005  
(770) 232-9200 (Telephone)  
(770) 232-9208 (Fax)  
[lsteinhart@telecomcounsel.com](mailto:lsteinhart@telecomcounsel.com) (E-Mail)

Attorneys for GTL

and

James M. Smith  
Davis Wright Tremaine LLP  
1919 Pennsylvania Avenue, NW  
Washington, DC 20006  
(202) 973-4288 (Telephone)  
(202) 973-4499 (Fax)  
[jamesmsmith@dwt.com](mailto:jamesmsmith@dwt.com) (E-Mail)

with a copy to

Steven M. Siemens  
Russ August & Kabat  
5959 Topanga Canyon Boulevard, Suite 130  
Woodland Hills, CA 91367  
(818) 887-7000 (Telephone)  
(818) 887-7730 (Fax)  
[ssiemens@raklaw.com](mailto:ssiemens@raklaw.com) (E-Mail)

Attorneys for PCS

### **III. Description of the Transactions**

GTL and PCS have entered into a Stock Purchase Agreement dated August 5, 2010 (the "Stock Purchase Agreement"). Pursuant to the terms of the Stock Purchase Agreement, GTL will purchase all of the issued and outstanding shares of the common stock of PCS from its

shareholders, which represents 100% of the equity interests in PCS. The expected date of closing is October 31, 2010; however, the closing is subject to obtaining all necessary state and federal approvals of the Transaction. Upon consummation of the proposed transaction, PCS will be a wholly owned subsidiary of GTL. Organizational charts, showing the current ownership structure, and the ownership structure after the transfer is completed, are attached hereto as Exhibit A.

Following the stock purchase, the assets of PCS will be transferred to GTL. GTL plans to operate the companies separately for a period of time, until such time as integration can be accomplished in a transparent manner with no negative effect on end users.

The proposed transaction will provide PCS with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of its telecommunications infrastructure; and (b) improvement of customer service, billing, financial reporting and other management information systems. There will be no impact on PCS's current customers, since the Transaction will be transparent to said customers, and services to PCS customers will continue pursuant to the terms and conditions of its tariff on file with the Commission. In addition, it is anticipated that certain key members of the management of PCS will remain in place after the Transaction is consummated.

#### **IV. Public Interest Considerations**

Applicants submit that the Transaction described herein will serve the public interest. Approval of the Transaction is in the public interest because it will advance economic efficiency by enabling GTL to expand its own business and achieve economies of scale. These benefits are

expected to strengthen GTL's ability to expand their offerings and services to a broader customer base in South Carolina. Applicants expect that the transaction will enable GTL to strengthen their competitive position to the benefit of South Carolina consumers and the telecommunications marketplace.

Further, as described above and because of the nature of this particular customer base, the Transaction will be conducted in a manner that will be transparent to customers of PCS. Following consummation of the Transaction, GTL will continue to provide high-quality communications services to PCS customers without interruption and without immediate change in rates, terms or conditions.

Applicants emphasize that the proposed Transaction will be seamless and transparent to PCS's customers, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

V. Conclusion

For the reasons stated above, Applicants hereby respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully Submitted,

Global Tel\*Link Corporation

By: \_\_\_\_\_

Lance J.M. Steinhart  
Lance J.M. Steinhart, PC  
1720 Windward Concourse, Suite 115  
Alpharetta, Georgia 30005  
(770) 232-9200 (Telephone)  
(770) 232-9208 (Facsimile)  
[lsteinhart@telecomcounsel.com](mailto:lsteinhart@telecomcounsel.com) (E-Mail)

and


By: \_\_\_\_\_

Scott Elliott, Esq.  
Elliott & Elliott, P.A.  
1508 Lady Street  
Columbia, SC 29201  
(803) 771-0555 (Telephone)  
(803) 771-8010 (Facsimile)  
[selliott@elliottlaw.us](mailto:selliott@elliottlaw.us) (E-Mail)

Its Attorneys

Public Communications Services, Inc.

By:



James M. Smith

Davis Wright Tremaine LLP

1919 Pennsylvania Avenue, NW

Washington, DC 20006

(202) 973-4288 (Telephone)

(202) 973-4499 (Fax)

[jamesmsmith@dwt.com](mailto:jamesmsmith@dwt.com) (E-Mail)

Its Attorneys

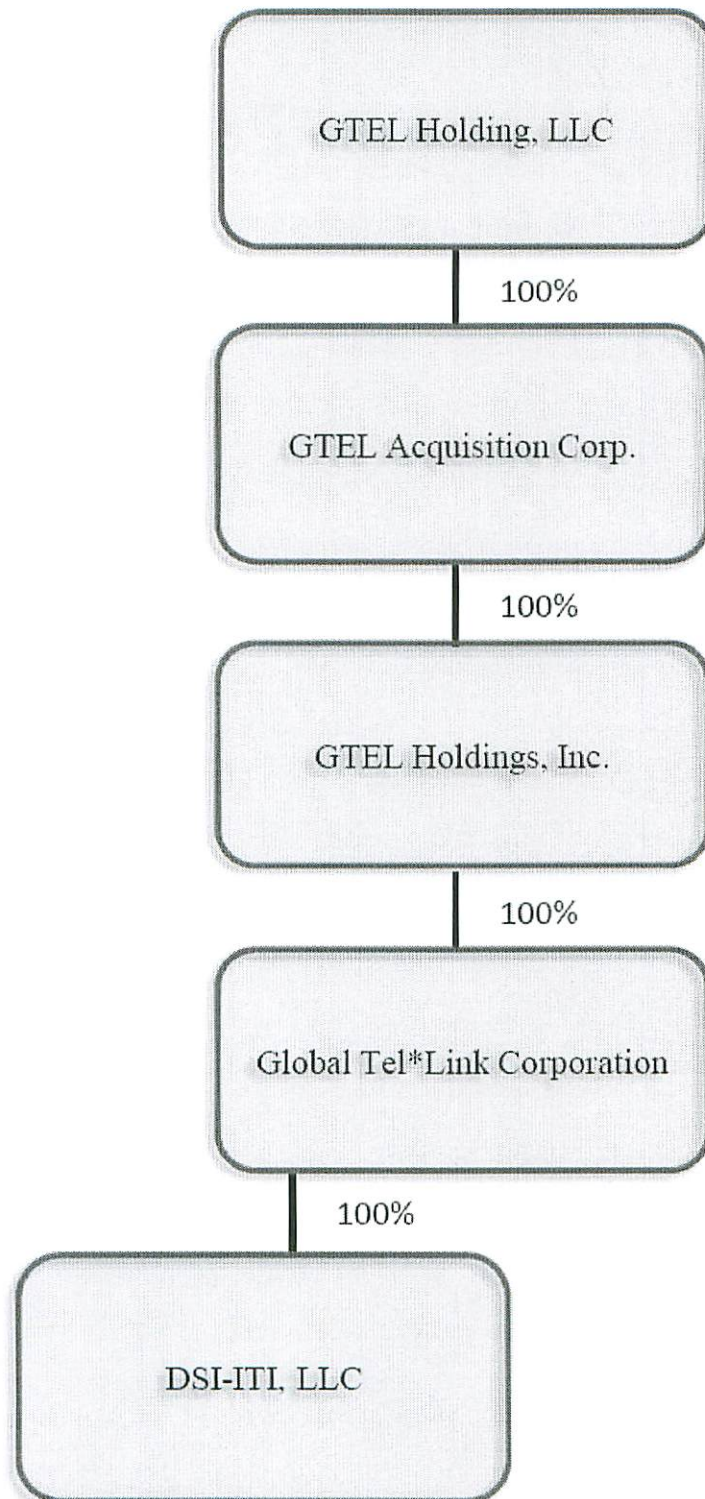
Dated: August 9, 2010

## **List of Exhibits**

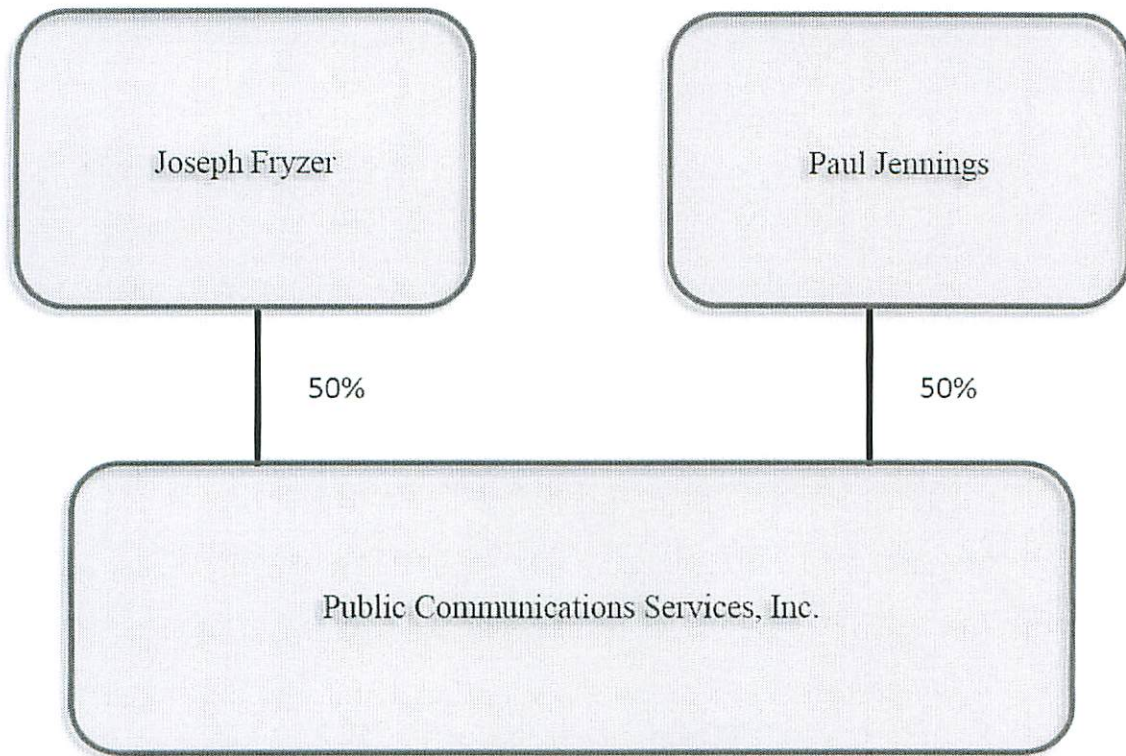
**Exhibit A - Organizational Charts**

## **Exhibit A — Organizational Charts**

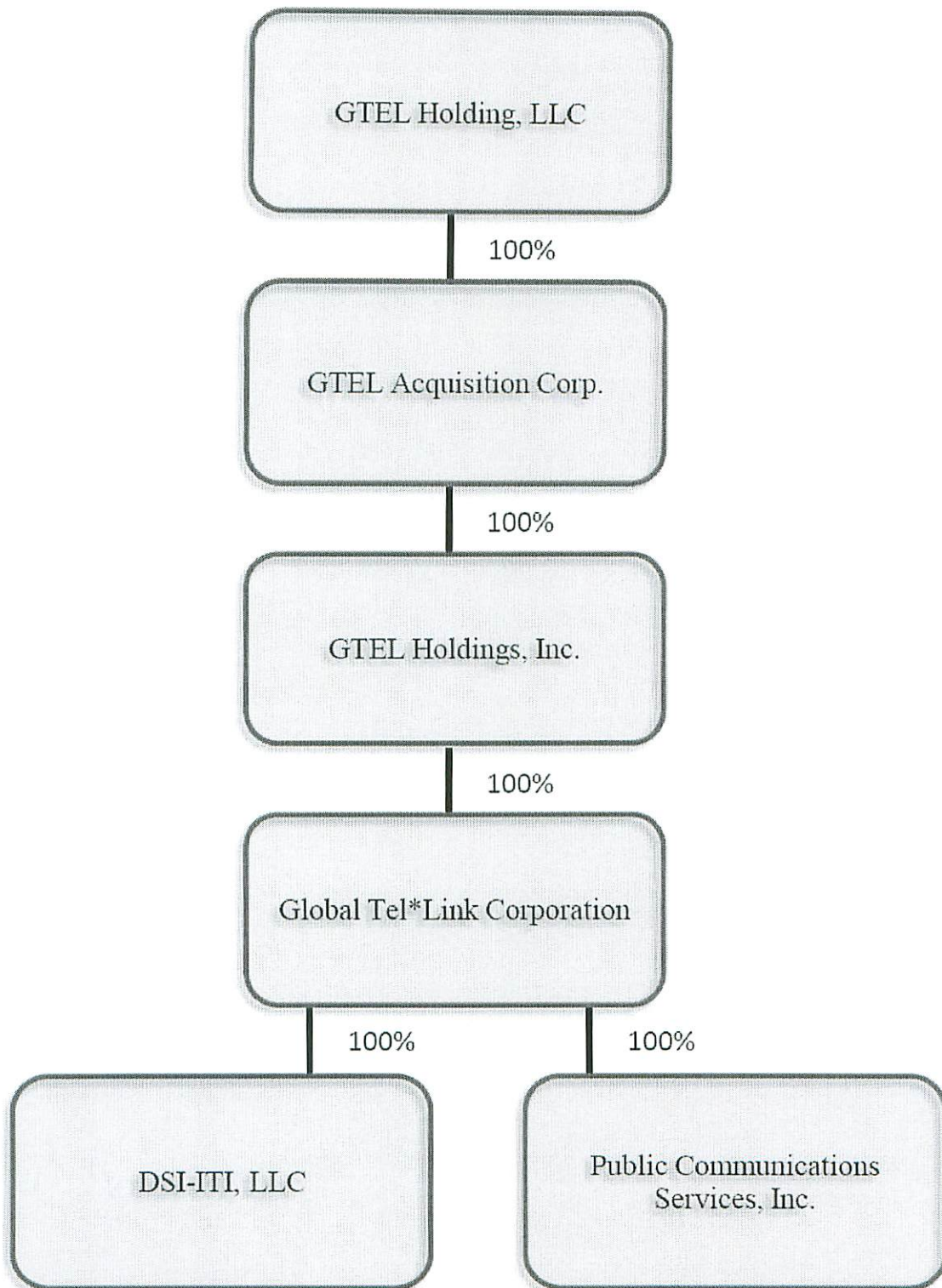
# Global Tel\*Link Corporation Pre-Transaction Organizational Chart



# Public Communications Services, Inc. Pre-Transaction Organizational Chart



# Global Tel\*Link Corporation Post-Transaction Organizational Chart



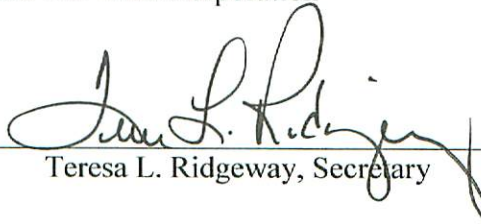
## Verifications

State of Alabama            )  
                                      )  
County of Mobile            )

VERIFICATION

I am authorized to represent Global Tel\*Link Corporation and to make this verification on its behalf.  
The statements in the foregoing document are true of my own knowledge, except as to matters which are  
herein stated on information and belief, and as to those matters, I believe them to be true.

Global Tel\*Link Corporation

By:   
Teresa L. Ridgeway, Secretary

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day August, 2010

  
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Oct 19, 2013  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

State of California       )  
                                      )  
County of Los Angeles    )

VERIFICATION

I am authorized to represent Public Communications Services, Inc. and to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.

Public Communications Services, Inc.

  
Paul Jennings, Chief Executive Officer

The foregoing instrument was acknowledged before me this 5 day August, 2010

  
Notary Public

SC



## CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

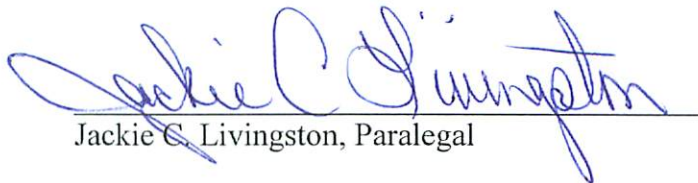
RE: Joint Application of Public Communications Services, Inc.  
and Global Tel\*Link Corporation to Transfer Assets of  
Public Communications, Inc. to Global Tel\*Link  
Corporation

DOCKET NO.: 2010-

PARTIES SERVED: C. Dukes Scott, Esquire  
Office of Regulatory Staff  
P. O. Box 11263  
Columbia, SC 29211

PLEADING: APPLICATION

August 10, 2010



Jackie C. Livingston, Paralegal